

Disaster Recovery Initiative
U.S. Department of Housing and Urban Development (HUD)
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**Louisiana Office of Community Development/Disaster Recovery Unit,
(OCD-DRU), Division of Administration**

Proposed Action Plan Amendment No. 66

- 1) Reallocation of funds from the Housing Development Loan Fund Program, Support for Faith-Based and Community-Based Housing Recovery Program, Rapid Rehousing Program, Soft Seconds Mortgage Program, and First Time Homebuyer Pilot Program, to the Small Rental Property Repair Program, and**
- 2) Clarification of Action Plan Amendment 22 allocation to the Parish Recovery Planning Capacity Building Program**

Public Comment Period: July 29 – Aug. 11, 2016



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Substantial Action Plan Number 66 to Katrina/Rita First Appropriation:

1) Reallocation of funds from the Housing Development Loan Fund Program, Support for Faith-Based and Community-Based Housing Recovery Program, Rapid Rehousing Program, Soft Seconds Mortgage Program, and First Time Homebuyer Pilot Program; to the Small Rental Property Repair Program;

2) Clarification of Action Plan Amendment 22 allocation to the Parish Recovery Planning Capacity Building Program.

1) REALLOCATION OF FUNDS

The purpose of this amendment is to reallocate \$1,079,582.86 from the *Housing Development Loan Fund Program*; \$8,982.50 from the *Support for Faith-Based and Community-Based Housing Recovery Program*; \$516.00 from the *Rapid Rehousing Program*; \$151.85 from the *Soft Seconds Mortgage Program*; \$18,419.00 from the *First Time Homebuyer Pilot Program*. All aforementioned funds are being reallocated to the *Small Rental Property Repair Program*. A breakdown of each program's allocation is broken out in the below chart:

Program	Previous Total	Reallocation	New Total	% Change
Housing Development Loan Fund	\$6,689,653.99	(\$1,079,582.86)	\$5,610,071.13	(16.1%)
Support for Faith-Based and Community-Based Housing Recovery	\$1,940,916.21	(\$8,982.50)	\$1,931,933.71	(<1%)
Rapid Rehousing	\$4,890,795.43	(\$516.00)	\$4,890,279.43	(<1%)
Soft Seconds Mortgage	\$72,600,000.00	(\$151.85)	\$72,599,848.15	(<1%)
First Time Homebuyer Pilot	\$39,100,000.00	(\$18,419.00)	\$39,081,581.00	(<1%)
Small Rental Property Repair	\$232,300,000.00	\$1,107,652.21	\$233,407,652.21	<1%

This funding transfer is necessary as a result of a continued need in the Small Rental Property Repair Program to fully fund existing approved projects and to maintain a robust monitoring function to ensure that all participants are brought into compliance with programmatic and CDBG guidelines.

The *Housing Development Loan Fund*, *Support for Faith-Based and Community-Based Housing Recovery*, *Rapid Rehousing*, *St. Tammany Soft Seconds* (under the *Soft Seconds Mortgage Program*), and *St. Bernard First Time Homebuyer* (under the *First Time Homebuyer Pilot Program*) have all completed program activities and are being closed out. Funds are being transferred from these programs to bring the balance in each to \$0 for closeout.

The *Housing Development Loan Fund Program* was created in Action Plan Amendment 1, and amended in APA's 56, 63 and 64; the *Support for Faith-Based and Community-Based Housing Recovery Program* was created in Action Plan Amendment 1, and amended in APA 62; the *Rapid Rehousing Program* was created in Action Plan Amendment 36, and amended in APA 63; the *Soft Seconds Mortgage Program* was created in Action Plan Amendment 24, and was

amended in APA 54; the *First Time Homebuyer Pilot Program* was created in Action Plan Amendment 4, and amended in APA 54.

The *Small Rental Property Repair Program* was created in Action Plan Amendment 1, and amended in APA's 4, 9, 11, 18, 21, 24, 32, 33, 36 and 50. The program aims to restore and rebuild the stock of one- to four-unit rental properties in order to address the housing needs of low to moderate income people in the most heavily damaged areas. The program provides affordable rents for working families by encouraging redevelopment in impacted communities. The goal is to help the housing market and provide neighborhoods with new or renovated, best-practice, mixed-income units.

This amendment is considered substantial because the reallocation of funds from the *Housing Development Loan Fund Program* is greater than 15% of the program's total allocation, which triggers a substantial amendment under the state's initial Action Plan.

This Amendment does not change any policies, procedures, methods of distribution, or eligibility criteria associated with any of the affected programs, only the total amount of money that is allocated to each program. The Action Plan or Action Plan Amendments that created or revised the policies and procedures of each program still remain as the current policy document(s) for each of these programs.

2) CLARIFICATION OF ALLOCATION AMOUNT

The purpose of this amendment is to clarify the total amount of funding allocated to the *Planning Initiatives Program* is \$15.5 million. The state has uncovered a typographical error in its Action Plan Amendment 22, and seeks to clarify the total allocation amount, via this APA 66.

The Planning program was created in the state's Initial Action Plan, with an initial activity amount of \$9.5 million. The state, via Action Plan Amendment 16, reallocated an additional \$3 million to the Planning Program, bringing the total Planning allocation to \$12.5 million.

In APA 22, the state added another \$3 million to the Planning Program. However, the budget shown in APA 22 reflects only the original \$9.5 million allocation as the "Previous Total." The amount that should have been used under the "Previous Total" column was \$12.5 million – the program's allocation from APA 16. Via APA 22, adding an additional \$3 million to the \$12.5 million brought the total program allocation to \$15.5 million.

For clarification, the state in its various reports detailing program allocations and expenditures for the entire Katrina/Rita grant, has reflected the \$15.5 million amount since the approval of APA 22 in 2008. These reports are made public via the Office of Community Development website, and are regularly shared with various stakeholders.

The error in APA 22 was typographical only, was limited to the budget, and does not adjust the intent of APA 22. The state's Planning program has a total allocation amount of \$15.5 million.